1983 ANNUAL REPORT

Saskatchewan Government Printing Company

84- 3048 /

ANNUAL REPORT

of

The Saskatchewan Government Printing Company

of the

PROVINCE OF SASKATCHEWAN

for the

Year ending December 31, 1983

Regina, Saskatchewan
March, 1984

To His Honour,
The Honourable Frederick W. Johnson,
Lieutenant Governor of the Province of Saskatchewan.

Sir:

I have the honour to submit herewith the annual report of The Saskatchewan Government Printing Company for the year ending December 31, 1983 including the financial statements therefor, duly certified by the Provincial Auditor and in the form approved by the Treasury Board, all in accordance with The Crown Corporations Act, 1978.

I have the honour to be, Sir,

Your obedient servant,

GEORGE McLEOD

Chairman and Minister responsible for
The Saskatchewan Government Printing Company

THE SASKATCHEWAN GOVERNMENT PRINTING COMPANY

1983

BOARD OF DIRECTORS

HONOURABLE G. McLEOD	–	Chairman
MR. OTTO CUTTS, Acting General Manager	–	Director
MR. P. LANG, Comptroller		
MR. R. ULRICH, Secretary to the Board		

GENERAL MANAGER'S REMARKS

This is the thirty-eighth annual report of the Saskatchewan Government Printing Company and covers the period for the year ending December 31, 1983.

The Saskatchewan Government Printing Company was established under The Crown Corporations Act of 1945 to operate a general job printing and book binding business. During the past year 2,873 jobs were produced resulting in approximately 2,364,000 dollars in business printing volume.

Our sales volume fluctuated from a high of $282,000 in the month of March to a low of $132,000 in the month of October.

Continual improvements and cost-cutting measures were implemented during the year to cope with a twelve percent decrease in sales volume from 1982. Our work mix also resulted in a twelve percent decrease in revenue per job produced.

Despite this reduction in work-load, net earnings of 62,000 dollars were recorded for the year.

Otto Cutts

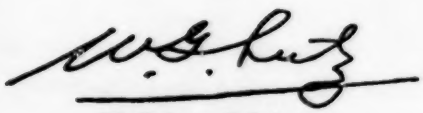
Otto Cutts, Acting General Manager
Saskatchewan Government Printing Company

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of the Province of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Government Printing Company as at December 31, 1983 and the statements of operations and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Government Printing Company as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
February 15, 1984.

W. G. Lutz, F.C.A.,
Provincial Auditor.

SASKATCHEWAN GOVERNMENT PRINTING COMPANY

STATEMENT OF FINANCIAL POSITION

As at December 31

	1983	1982
Assets		
Current Assets:		
Cash	$ 279,318	$ 79,351
Short Term Investment	—	200,000
Accounts receivable	515,909	475,029
Inventory (Note 3)	319,793	461,968
	1,115,020	1,216,348
Property, plant and equipment (Note 4)	1,327,373	1,448,293
	$ 2,442,393	$ 2,664,641
Liabilities and Provinces Equity		
Current Liabilities:		
Accounts payable	$ 193,635	$ 203,555
Deposits (Note 9)	4,626	43,966
Dividend Payable	—	85,000
	198,261	332,521
Long term debt — Crown Investments Corporation of Saskatchewan (Note 7)	50,000	200,000
	248,261	532,521
Province of Saskatchewan's Equity:		
Advances from Crown Investments Corporation of Saskatchewan (Note 5)	2,126,263	2,126,263
Retained Earnings (Deficit)	67,869	5,857
	2,194,132	2,132,120
	$ 2,442,393	$ 2,664,641

(See accompanying notes)

SASKATCHEWAN GOVERNMENT PRINTING COMPANY

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

Year Ended December 31

	1983	1982
Revenue:		
Sale of printing services	$ 2,364,476	$ 2,678,769
Interest	29,615	—
	2,394,091	2,678,769
Expenses:		
Operating costs, other than those listed below	1,603,317	1,781,056
General and administration	572,529	592,630
Depreciation	128,979	131,937
Interest	27,254	30,395
	2,332,079	2,536,018
Net Profit	62,012	142,751
Retained earnings (deficit), beginning of year	5,857	(51,894)
Dividend	—	(85,000)
Retained earnings, end of year	$ 67,869	$ 5,857

(See accompanying notes)

SASKATCHEWAN GOVERNMENT PRINTING COMPANY

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31

	1983	1982
Source of funds:		
Operations		
Net profit	$ 62,012	$ 142,751
Items not requiring (providing) funds		
— depreciation	128,979	131,937
— gain on disposal of equipment	(416)	(27,140)
	190,575	247,548
Advances from Crown Investments Corporation of Saskatchewan	—	261,994
Proceeds from disposal of equipment	416	30,678
	190,991	540,220
Use of funds:		
Repayment of portion of long-term loan	150,000	325,000
Purchase of property, plant and equipment	8,059	289,847
Dividend payable to Crown Investments Corporation of Saskatchewan	—	85,000
	158,059	699,847
Increase (decrease) in working capital	32,932	(159,627)
Working capital, beginning of year	883,827	1,043,454
Working capital, end of year	$ 916,759	$ 883,827

(See accompanying notes)

SASKATCHEWAN GOVERNMENT PRINTING COMPANY

NOTES TO FINANCIAL STATEMENTS

December 31, 1983

1. *Accounting Policies*

(a) Property, plant and equipment

Fixed assets are initially recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Depreciation is provided on the basis and at the rates set out below. It is expected that these procedures will charge operations with the total cost of the assets over the useful life of the assets. Gains or losses on disposal of individual assets are recognized in income in the year of disposal.

Assets	*Depreciation Basis*	*Rate*
Building	straight line	2½%
Equipment	straight line	10%
Photocomposition equipment	straight line	20%
Office furniture, fixtures	straight line	5%
Computer equipment	straight line	20%

(b) Inventory

Inventory includes printing supplies and work-in-progress. Supplies are valued at lower of cost and replacement cost. Work-in-progress is valued at the lower of cost and net realizable value. This includes an assignment of direct and indirect printing costs. The valuation of work-in-progress limits the assigned value to a maximum of the recoverable sales. Income is recognized at the completion of the work order.

2. *Status of Corporation*

The Saskatchewan Government Printing Company was established by Order-in-Council 859 in June of 1945 and continued under the provisions of The Crown Corporations Act. The accounts of the Company are consolidated in the annual financial statements of the Crown Investments Corporation of Saskatchewan.

3. *Inventory*

	1983	*1982*
Paper supplies inventory	$ 195,377	$ 208,821
Other supplies inventory	46,289	62,294
Work-in-progress material	13,000	17,343
Work-in-progress labour and overhead costs	65,127	173,510
	$ 319,793	$ 461,968

4. *Property, Plant and Equipment*

	1983			1982
	Cost	*Accumulated Depreciation*	*Net Book Value*	*Net Book Value*
Land	$ 121,875	$ —	$ 121,875	$ 121,875
Building	905,601	171,043	734,558	756,792
Equipment	1,089,389	712,779	376,610	447,846
Photocomposition equipment	159,422	82,988	76,434	100,660
Office furniture and fixtures	14,781	4,830	9,951	10,690
Computer equipment	29,405	21,460	7,945	10,430
	$ 2,320,473	$ 993,100	$ 1,327,373	$ 1,448,293

5. *Advances from Crown Investments Corporation of Saskatchewan*

These advances are non-interest bearing and are repayable at the discretion of Crown Investments Corporation of Saskatchewan.

6. *Remuneration of Directors and Senior Officers*

The two senior officers of Saskatchewan Government Printing Company received remuneration for the 1983 year in the amount of $89,084 (1982 — $98,846). The Company's two (1982 — five) directors received no remuneration during 1983 (1982 — $750).

7. *Long Term Debt*

Effective June 1, 1981 the outstanding demand loan from Crown Investments Corporation of Saskatchewan was converted to a long-term loan with repayment due on June 1, 1986 and interest payable semi-annually at 14.0% per annum. Saskatchewan Government Printing Company has the option to repay this loan in full or in part before June 1, 1986 without any penalties.

8. *Related Party Transactions*

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and corporations with which the corporation is related.

Account balances resulting from these transactions are included in the Statement of Financial Position and are settled on normal trade terms.

Other amounts due to related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

9. *Deposits*

Certain customers have prepaid the cost of the materials to be used for specific orders. The deposits represent the difference between the cash received from the customers and the materials used to date for those specific orders.